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BLS Program Goes in Search of Mass Layoffs

Note: In light of the number of major layoffs that have occurred nationally and in Arizona in the past few years, articles in the April and May issues of Arizona Economic Trends will look at several federal/state cooperative programs — overseen by the U.S. Department of Labor — that track mass layoffs and plant shutdowns and attempt to help workers and communities affected by them. The articles will explain the function of these programs, as well as analyze their potential use and effectiveness on a national and statewide basis.

In the April issue, two stories will focus on the Mass Layoff Statistics (MLS) program, an eight-year-old program that tracks and collects data on major layoffs in nearly all states and is administered in Arizona by the Department of Economic Security's Research Administration. Then, the May issue will focus on programs — created by the Economic Dislocation and Worker Adjustment Assistance Act (EDWAA) and the Worker Adjustment and Retraining Notification Act (WARN) — that attempt to alert workers and communities to potential layoffs or plant shutdowns and help these unemployed workers make the transition to new jobs.

MLS Program Overview

The U.S. recession of the early 1980s marked a major turning point in the country's post-World War II economic history. While the nation had had several economic downturns in the previous three decades, the recession of early '80s not only produced high unemployment rates — averaging close to 10 percent — but began exposing severe cracks in the nation's industrial base, particularly in the manufacturing sector. Because of the

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RA Changes Name of Newsletter, Spruces Up Look

To paraphrase Jack Webb of "Dragnet" fame: "The names have been changed ... but the facts are essentially the same." So, too, is the case with the monthly publication of the Department of Economic Security's Research Administration. The name has been changed — from *Arizona Labor Market Information Newsletter* to *Arizona Economic Trends* — but the newsletter is basically the same, except for some minor editorial and cosmetic changes.

What is the purpose of changing the name? There are two primary reasons: to better reflect the content of the publication's articles, which frequently discuss issues outside the traditional concept of labor market information; and since the newsletter was due for a makeover, it made sense to come up with a new nameplate.

Some of the changes the reader should notice include: a new typeface (ITC Garamond) for the body copy, which should make the publication more appealing; new table and graph formats designed for easier reading; new standing heads; and nicely finished paper, which is also recyclable. The reader may find of particular interest additional information in

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severity of that recession, Congress in 1982 created a program as part of newly created job-training legislation — the Job Training Partnership Act (JTPA) — to track and study the magnitude and impact of U.S. plant closings and mass layoffs.

The Department of Labor's Bureau of Labor Statistics (BLS) was assigned this task and began a pilot project in 1984 involving seven states (including Arizona) to test the feasibility of using state unemployment insurance (U.I.) benefit files to track mass layoffs. It proved successful and by the second quarter of 1985, BLS and about 10 states began officially tracking mass layoffs through this system. By 1991, 48 states and Washington D.C. had joined the program, with all 50 states expected to participate by 1993.

The program was originally called the Permanent Mass Layoff and Plant Closing (PMLPC) program. But the name was changed in 1989 to the Mass Layoff Statistics (MLS) program — as part of a minor overhaul of the program — to more accurately reflect its primary scope and planned changes in the program (see end of story).

The current major objectives of the MLS program are to identify: industries being impacted by mass layoffs; the magnitude and reasons for mass layoffs; geographic locations of mass layoffs; and the continuing financial and employment impact on workers who lose jobs through mass layoffs. The last major goal is accomplished through tracking laid-off workers' U.I. benefit history, such as the length of time U.I. benefits are drawn and whether benefits are exhausted before re-employment.

The MLS program could easily be confused with a more prominent Labor Department program tied to mass layoffs, the Worker Adjustment and Retraining Notification Act (WARN) program. Although both programs use similar criteria for identifying mass layoffs, the purpose and rules covering the two programs are quite different.

... the MLS program produces "a wide range of unique data that are not available in any other BLS programs." ... there is a major distinction between the CES and MLS programs in that CES measures net change in industry employment, while MLS looks at gross change.

—Lewis Siegel
MLS Program Manager

The MLS program collects data on mass layoffs that have already occurred or are in the process of occurring, while WARN, started in 1989, is simply an employer-notification program that attempts to provide employees and affected communities with a reasonable notice (at least 60 days) of an expected layoff or plant shutdown as a way to soften the impact of worker dislocation should it actually occur.[1]

How MLS Program Works

The MLS program identifies a mass-layoff event through U.I.'s files of initial claimants. An initial claimant is an individual who has just become unemployed, files for U.I. benefits, and has earned enough wages to qualify for some level of benefit payment (see below).

Currently, each state has the option of tracking mass layoffs of 20 or more or 50 or more workers. Arizona uses the 50+ criteria because state officials believe the lower criteria would likely identify "events" that are inconsistent with the concept of a "mass layoff" as an "unexpected dislocation of a large number of employees."[2]

Depending on the state, an employer who has 20 or more or 50 or more U.I. initial claims filed against them in any given contiguous three-week period is flagged as potentially having had a major layoff. The employer is then contacted — either by telephone (the preferred method) or letter — to determine if a mass layoff had occurred, how many employees were laid off, and the reason(s) for the layoff.

Verification must be obtained directly from the employer, not a secondary source, such as a newspaper. If the employer refuses to cooperate, the employer is considered as having had a mass layoff, even if the number of laid-off employees was below the threshold level needed to qualify as a mass layoff.

Of course, if an employer fails to cooperate, there is a potential source of bias in the collection and interpretation of mass-layoff data. As a result, state agencies make every effort to obtain employer cooperation to ensure that on an aggregate basis, data can be used with confidence by governmental and private agencies, as well as the general public.

Not all categories of U.I. claimants are used to identify an employer as potentially having had a mass layoff. For example, shared-work claimants are not unemployed and, therefore, are excluded from layoff totals.[3] Also, claimants living in Arizona but drawing benefits in another state are excluded, as are strikers unless they subsequently lose their job as a result of the hiring of non-union workers. Included in U.I. claimant totals are workers indirectly affected by a strike.

Also, not all layoffs in the state will be identified as a "mass layoff" by the MLS program because of U.I. claimant eligibility rules; the uncertainty of when, where, and if a claimant will file for benefits; and the manner in which an employer conducts a layoff.

To qualify for benefits, a claimant has to be monetarily eligible, which

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Agriculture Gains Larger Share of State's Layoff Events

When analyzing data from the Mass Layoff Statistics (MLS) program, it's important to keep in mind that the MLS program was not designed to act as a general barometer of a state's or the nation's overall economy. Rather, the major purpose of MLS data is to identify sectors of the economy undergoing structural changes that might not be detected by other Department of Labor programs that track labor market trends (e.g., Current Employment Statistics (CES) program).

For example, a rise over the year in Arizona's major MLS categories — layoff events, separations, and initial claims — does not necessarily translate into a worsening economy. Many other factors — such as a increase in seasonal layoffs or temporary employment — can cause growth in MLS categories. Also, caution should be used when trying to compare MLS data with other economic data, say a rise in MLS mass layoff events versus a rise in a Arizona's unemployment rate — there may or may not be a correlation.

One of the best ways then to utilize the MLS program is to analyze its industry and subindustry data, as well as be aware of industry employment practices and other mitigating factors (e.g., oversupply of goods in an industry) that may be affecting an industry's MLS totals. Helping in the evaluation process are the different categories of MLS data (e.g., "reasons for layoff") that BLS breaks out. Several of these categories are presented in tables published with this article.

1990, 1991 Overview

Probably the most significant trend in Arizona's MLS data over the past two years has been the agricultural industry's growing dominance of the state's mass layoffs events and corresponding categories. But ironically, agriculture's increase shares of MLS categories are not due to economic hard times, but rather seasonal layoffs (when a crop season ends) and employment *growth*, particularly in Maricopa and Yuma counties.

Table 1

Arizona Mass-Layoff Events, 1990 and 1991

	Establishments		Layoff Events		New Layoff Events	
	1990	1991	1990	1991	1990	1991
All Industries	69	75	91	92	89	88
Agriculture	21	29	28	38	28	38
Non-agriculture	48	46	63	54	61	50
Manufacturing	18	19	24	19	23	18
Durable Goods	16	14	22	14	21	13
Non-durable Goods	2	5	2	5	2	5
Non-manufacturing	30	27	39	35	38	32
Construction	3	3	5	4	5	4
TCPU[1]	4	8	4	11	4	10
Trade	9	4	9	4	8	4
Services	12	10	17	13	17	12
Government	2	2	4	3	4	2

Note: 1) Transportation, Communications, and Public Utilities

Source: Arizona Dept. of Economic Security, Research Administration, February 1992

In 1988, agriculture accounted for 25 percent of the state's mass-layoff events, 18.1 percent of separations, and 14.1 percent of initial claims. By 1990, however, those shares had grown to 30.8 percent, 29.8 percent, and 28.6 percent, respectively, and last year increased to 41.3 percent, 48.2 percent, and 36.4 percent, respectively. On a national level, with 44 states and the District of Columbia reporting in 1990 (the latest year available), agriculture accounted for only 3.1 percent of layoff events, 4 percent of separations, and 2.5 percent of initial claims.

Looking at totals for the state's major MLS categories in 1991, although the number of mass-layoff events remained stable from the previous year (see Table 1), agriculture is directly attributable for most of the steady growth in MLS separations and initial claims (see tables 2 and 3) in 1991. Arizona's total separations last year rose 13.5 percent over 1990 levels, while initial claims rose 13.4 percent.

However, if agriculture's net increase in those two categories were excluded from Arizona's overall totals, the state's MLS separations for 1991 actually would have dropped, while initial claims would have risen slightly (see tables 2 and 3).

MLS totals for Arizona's manufacturing sector, on the other hand, were relatively unchanged from 1990 to 1991, which was good news considering the state's non-farm wage and salary employment in manufacturing dropped 4.9 percent over that period. Manufacturing's mass-layoff events dropped slightly (19 vs. 24), while the industry's total separations were almost identical and initial claims rose 4.7 percent. The state's sluggish economy — forcing more laid-off workers (separations) to file for unemployment insurance before they could find another job — could account for the difference in growth be-

tween the industry's MLS separations and initial claims.

Meanwhile, other industries in the state that showed significant MLS changes — up or down — from 1990 to 1991 included trade; transportation, communications, and public utilities (TCPU); and services. However, the changes in TCPU and services are somewhat misleading because unlike other BLS programs, the MLS program includes data from the U.S. Postal Service in TCPU and the U.S. Bureau of Indian Affairs in services. Employment data from both are normally classified in government in most Bureau of Labor Statistics (BLS) programs.[1]

Trade's MLS separations and initial claims — along with their share of the total separations and claims — in Arizona both dropped by about two-thirds from 1990 to 1991, while layoff events fell by about one-half. There was no particular reason to account for the drop, although there was a slight increase (1.4 percent) in trade non-farm payroll employment in 1991. But the decrease in MLS totals is not terribly significant given that trade only made up a small proportion of those categories in the state both years.

Services had the oddity of having its separations increase nearly 30 percent (992) over the year, while its initial claims fell 11 percent. It's likely that several mass layoffs involving BIA workers — who usually are temporary or school employees, who are less likely to file for unemployment insurance benefits — caused the unusual situation. Services, which normally accounts for the third-highest number of mass-layoff events in the state behind agriculture and manufacturing, had a moderate drop in its layoff events in 1991 — falling from 17 to 13.

Finally at the industry level, TCPU had a significant rise in mass layoffs (from 3 to 12) and initial claims (from 756 to 1,603, or 212 percent) last year, while separations rose 12.3 percent. There are no easily explainable reasons for the difference in growth between initial claims and separations.

Table 2

Arizona Mass-Layoff Separations by Industry, 1990 and 1991

	1990		1991	
	Separations	Percent of Total[1]	Separations	Percent of Total[1]
Total	18,793	100.0%	21,338	100.0%
Agriculture	7,034	37.4	10,288	48.2
Manufacturing	3,378	18.0 (28.7%)	3,379	15.8 (30.6%)
Construction	470	2.5 (4.0)	701	3.3 (6.3)
TCPU[2]	1,623	8.6 (13.8)	1,822	8.5 (16.5)
Trade	1,416	7.5 (12.0)	463	2.2 (4.2)
Services	3,377	18.0 (28.7)	4,369	20.5 (39.5)
Government	1,495	8.0 (12.7)	316	1.5 (2.9)

Notes: 1) Value in parenthesis is percentage of total excluding Agriculture
2) Transportation, Communications, and Public Utilities

Source: Arizona Dept. of Economic Security, Research Administration, February 1992

Table 3

Arizona Mass-Layoff Initial Claims by Industry, 1990 and 1991

	1990		1991	
	Separations	Percent of Total	Separations	Percent of Total
Total	14,813	100.0%	16,910	100.0%
Agriculture	4,243	28.6	6,147	36.4
Manufacturing	3,070	20.7 (29.0%)	3,538	20.9 (32.9%)
Construction	562	3.8 (5.3)	672	4.0 (6.2)
TCPU	756	5.1 (7.2)	1,603	9.5 (14.9)
Trade	1,019	6.9 (9.6)	347	2.1 (3.2)
Services	4,697	31.7 (44.4)	4,175	24.7 (38.8)
Government	466	3.2 (4.4)	428	2.5 (4.0)

Notes: 1) Value in parenthesis is percentage of total excluding Agriculture
2) Transportation, Communications, and Public Utilities

Source: Arizona Dept. of Economic Security, Research Administration, February 1992

Reasons for MLS Events

The MLS program also collects data

on "reasons" for mass layoffs, with MLS employers asked to select one of a predefined set of reasons that account for nearly all situations.[2] Table 8 shows that layoffs due to "seasonal work" accounted for more than one-half of Arizona's 1991 mass-layoff events — about the same as in 1990 — followed by "slack work" with 9, "other reasons" and 'not reported" at 8, and bankruptcy, 5.

The number of mass layoffs due to bankruptcy in 1991 increased significantly over 1990 totals (1) and 1989 (2). There were no Arizona mass layoffs for this reason in 1987 and 1988. Meanwhile, "seasonal work" was responsible for nearly all of layoff events in agriculture.

And finally, the MLS program from time to time collects data on a short-term basis to measure the effects of specific governmental actions. Currently, employers whose business may be defense-related are asked whether their layoffs are all, or in part, caused by actions of Congress to reduce the defense budget.

Six layoff events in 1990 and four in 1991 were related to reductions in the defense budget. The 1990 totals made Arizona one top three states with defense-related mass-layoff events; the other two states were Texas and Massachusetts. (U.S. data for 1991 is still not available.)

—Stan Gorodenski,
Arizona MLS Program Manager

Table 4

Reasons for Arizona Mass-Layoff Separations, 1990 and 1991

	1990		1991	
Reasons	Layoff Events	Separations	Layoff Events	Separations
Total, all reasons	91	18,793	93	21,338
Contract completion	6	525	3	334
Domestic relocation	3	211	1	173
Automation	0	0	2	408
Bankruptcy	0	0	5	708
Business ownership changed	0	0	2	308
Overseas relocation	0	0	1	118
Labor-management dispute	0	0	1	152
Plant or machine repairs	0	0	4	1,319
Material shortages	0	0	1	85
Seasonal work	48	10,620	48	13,086
Slack work	10	1,177	9	1,071
Other Reasons	18	5,157	8	1,666
Not reported	6	1,103	8	1,910

Source: Arizona Dept. of Economic Security, Research Administration, February 1992

Notes:

1. BLS' Current Employment Statistics and ES-202 programs normally classify these categories under government employment.
2. Whenever a reason given by an employer does not fit into a predefined list of reasons determined by BLS, "other" is used. Whenever an employer representative either does not know the reason for a layoff or refuses to cooperate, the mass layoff is categorized as "not reported."

BLS Program Searches for Mass Layoffs

(continued from page 2)

means working for at least one employer covered by U.I. laws and having made sufficient wages in the first four of the last five quarters.[4] Thus, if an employer laid off 50 employees and all but one was monetarily eligible, the layoff would not be identified as a mass layoff by the MLS program.[5]

There are other instances where layoffs of 50 or more U.I.-eligible workers are not picked up by the MLS program. One example is when enough of a company's laid-off employees find jobs before filing for U.I. benefits, bringing down the layoff total under the triggering level (50, in the case of Arizona). Another is when layoffs occur over an extended period of time due to the way a business's operations wind down. An employer could lay off 200 employees, but spread it out over three or four months so that total initial claims over any contiguous three-week period never reaches the trigger level. This scenario has occurred a number of times in the history of Arizona's MLS program.

In addition to the initial-claims trigger level, two conditions as part of a layoff event have to be met before a loss of workers is counted as a mass layoff by the MLS program. An employer has to report it laid off at least 50 workers for longer than 30 days. Verification of the number of laid-off workers, also known as separations, and the time period can only come directly from the employer. As a result, layoffs of a substantial number of workers could be excluded from the MLS program, while those of temporary nature could be included

in MLS figures.[6]

Another factor determining if a mass-layoff event has occurred is a company's number of physical locations. Some employers have a number of physical locations engaged in the same economic activity (e.g., supermarkets). The MLS program requires that even if one location lays off less than 50 workers, if the aggregated separations over all locations are 50 or more and they are part of the same layoff event, then the employer had a mass layoff.

Finally, in order for a mass-layoff event to qualify as a "plant closing," all the conditions mentioned above have to be met, plus one other requirement: all physical locations in Arizona have to be closed. There have been events during the MLS program's existence where all physical locations were closed, except for administrative offices, and the events were treated as reductions in force rather than plant closings.[7]

MLS Needs Employers' Help

Because information obtained from employers is necessary to the utility and meaningfulness of the MLS program, MLS data are governed under strict BLS confidentiality rules. Only state and federal employees involved in cooperative/state BLS employment security programs are allowed access to employer data.

Also, when mass-layoff data are published in annual reports, it has to be aggregated and presented in a manner so that identification of participating companies cannot be determined.[8] Requests from the public for data that would identify individual employers are turned down because of this rule.

Confidentiality rules, however, do restrict the amount of Arizona data that can be published in the MLS' annual report due to the relatively small number of companies in certain statewide industry groups.[9] Typically, there are only about 25 to 35 mass-layoff events in Arizona each quarter, which can make it more difficult to interpret structural changes occurring in the state's economy.

Selected MLS Terms

Mass Layoff Event — Twenty or more or 50 or more initial claims (depending on the state) for unemployment insurance benefits from an establishment during a consecutive three-week period, with at least 20 or more or 50 or more workers (depending on the state) separated for more than 30 days.

Separation — Layoff of workers by employer, which involves both persons subject to recall and those who are terminated by the establishment.

Initial Claimant — Person who files any notice of unemployment to initiate a request either for a determination of entitlement to and eligibility for compensation, or for a subsequent period of unemployment within a benefit year or period of eligibility.

Additional Uses of MLS Data

Although the primary purpose of the MLS program is to assess industries and areas of the country where structural dislocations are occurring, there are other possible uses for MLS data on a statewide and national basis, according to BLS economist Lewis Siegel, who oversees the MLS program in Washington D.C..

One major use of mass-layoff data for states, Siegel says, is for workforce planning and economic development. For example, when layoffs occur in certain industries or regions of a state, economic-development officials can use that information to attract companies to those areas. This benefits unemployed workers with desired skills and can offer employers a skilled workforce at a more competitive wage.

Another use of MLS data for states — which will be mandated starting in July 1993 — is in determining JTPA funding levels for local areas. If a region of a state is adversely affected by mass layoffs, then more JTPA funding will be required for those areas. The state of Arizona already uses MLS data as one of many factors in determining its local-area JTPA funding.

On a national level, MLS data is already being used for a number of purposes, including testing the effectiveness of other government programs and making employment training and other public officials aware of areas of the economy being impacted by defense cutbacks.

For example, a recently completed BLS study used MLS data to look at employers' layoff and recall practices as one method for determining if DOL funds for retraining laid-off workers are being used effectively. By using MLS data, BLS determined that workers covered in the study "were highly likely to be recalled by their former employers"[10] — thus opening up the possibility that some retraining funds for dislocated workers are being wasted on workers who are later recalled.

Also, because of the reduction in Department of Defense spending, as of 1990 the MLS program began collecting data related to military cutbacks. The MLS program now tracks and provides information in its annual publication on mass-layoff events involving about 10 Standard Industrial Code (SIC)[11] industry groups regarded as defense-related (e.g., guided missiles and space vehicles (SIC 376)). This information is tabulated on a national basis, as well as for the top 100 metropolitan areas.

Future of Program

In 1989, as part of minor overhaul of the MLS program, BLS asked federal and state officials involved with the MLS program for ideas to improve the program. Out of about 100 recommendations, a number of proposals were adopted by BLS and will be implemented starting in July 1993. Among these are:

- developing a PC-based system that can be run by all states — currently each state runs its own program — that will collect more socio-

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Jobless Rate Fell to 8.3% in February as Entrants Contracted

In the last few months, Arizona's seasonally adjusted unemployment rate has moved up sharply. The rate's rapid run-up can be attributed to the flow of new and re-entrant job seekers into the labor market.

But just as quickly as Arizonans have entered the labor force, data from the Current Population Survey (CPS) for February indicate that they have begun to exit. Arizona's seasonally adjusted unemployment rate last month was 8.3 percent, down from a revised January level of 8.8 percent. In Maricopa County the un-

Figure 1

U.S., Arizona, Maricopa County, and Pima County Unemployment Rates (Seasonally Adjusted), March 1991-February 1992

Source: Arizona Dept. of Economic Security, Research Administration, March 1992

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employment rate fell from 8.2 to 7.7 percent, while Pima County's rate fell from 6.2 percent to 5.8 percent.

The number of people unemployed also declined over the month. There were 8,100 fewer unemployed in February than in January, according to the household survey. Total persons unemployed, while down, is still at the high level of 142,200.

For the fifth-straight month, new and re-entrant job seekers were a significant influence on the labor market. But the combination of unemployed individuals finding work and new and re-entrant job seekers exiting the labor market helped to decrease total unemployment from January's level.

Arizona's non-farm wage and salary employment in February climbed 14,000, only about 3,500 less than has been average over the last 10 years. And with non-farm payroll employment at 1,508,700 in February, Arizona continues to experience positive over-the-year job growth (up 12,700).

The Tucson metropolitan area (Pima County) and the rural counties continued to carry the state to positive over-the-year wage and salary job growth. However, the Phoenix metropolitan area (Maricopa County) continues to have over-the-year negative payroll job growth, although the rate of loss decreased last month.

Despite a 6,600 gain in February, Maricopa County had 4,000 fewer jobs than 12 months earlier. The Phoenix metro area's gain was about half the 10-year average. Structural and cyclical changes plague the Phoenix area's economy as it continues to absorb its proportionate share of national defense cutbacks.

Goverment Has Average Growth

As always in February, the major contributor to job gains statewide was the government sector, chiefly among schools as the second semester began. The 11,200 gain was just more than the 10-year February average. All other major industry groups that gained employment had less-than-seasonal gains.

Services, the largest growth contributor in February after government, added 3,800 jobs, about half its 10-year average seasonal gain. Weak growth occurred in lodging services (up 600 when 1,100 is normal), but health services was little better (up 500 when 700 is average). Business services performed up to its 10-year average, posting 1,600 new jobs.

Major industry groups that lost jobs in February included retail trade, manufacturing, and construction.

Weather played a significant role in holding down construction employment. The undesert-like frequent rains, which promise best-in-many-years desert flower blooms, kept many construction projects from sprouting. Housing sales and building-permit increases portend improved construction employment in the near future, but Mother Nature has to cooperate.

Manufacturing had its largest February loss in eight years, dropping 700. Aircraft and missile manufacturers contributed 400 of the loss, nearly all of which was in Maricopa County. These losses are part of the "peace dividend" and the economy's structural change to which it will have to adapt even after business-cycle recovery is well under way.

Statewide, 3,800 aircraft and missile factory jobs have been lost since

(continued on back page)

Table 1
Arizona Labor Force, Employment, and Unemployment Data, February 1992[a]

(In Thousands)

	Feb. 1992[b]	Jan. 1992[c]	Feb. 1991	Monthly/Yearly Change: Jan. '92 - Feb. '92	Monthly/Yearly Change: Feb. '91 - Feb. '92
Total Civilian Labor Force[d]	1721.9	1731.0	1681.6	-9.1	40.3
Total Unemployment	142.2	150.3	78.2	-8.1	64.0
Unemployment Rate	8.3%	8.7%	4.7%	—	—
Unemployment Rate (Seasonally Adjusted)[e]	8.3%	8.8%	4.8%	—	—
Total Employment	1579.7	1580.7	1603.4	-1.0	-23.7
Total Wage and Salary Employment[f, g]	1508.7	1494.7	1496.0	14.0	12.7
Private Sector	1223.6	1220.8	1220.6	2.8	3.0
Government	285.1	273.9	275.4	11.2	9.7
Goods-Producing Industries:	259.3	260.4	267.8	-1.1	-8.5
Manufacturing	170.3	171.0	179.5	-0.7	-9.2
Total Durable Goods	126.4	127.0	135.8	-0.6	-9.4
Stone, Clay, and Glass	5.1	5.0	5.5	0.1	-0.4
Primary and Fabricated Metals	13.6	13.7	14.1	-0.1	-0.5
Primary Metals	5.7	5.8	5.9	-0.1	-0.2
Fabricated Metals	7.9	7.9	8.2	0.0	-0.3
Machinery	53.2	53.3	57.3	-0.1	-4.1
Aircraft and Missiles	24.0	24.4	27.8	-0.4	-3.8
Lumber and Wood Products (Excluding Furniture)	6.3	6.4	6.2	-0.1	0.1
Total Nondurable Goods	43.9	44.0	43.7	-0.1	0.2
Food and Kindred Products	10.2	10.3	9.6	-0.1	0.6
Printing and Publishing	15.5	15.5	15.9	0.0	-0.4
Mining and Quarrying	14.0	14.0	13.2	0.0	0.8
Copper Mining	11.6	11.6	10.8	0.0	0.8
Construction	75.0	75.4	75.1	-0.4	-0.1
Service-Producing Industries:	1249.4	1234.3	1228.2	15.1	21.2
Transportation, Communications, and Public Utilities	80.0	79.7	81.0	0.3	-1.0
Transportation	45.6	45.7	46.0	-0.1	-0.4
Communications and Public Utilities	34.4	34.0	35.0	0.4	-0.6
Trade	374.5	374.8	370.9	-0.3	3.6
Total Wholesale Trade	75.3	75.0	74.1	0.3	1.2
Total Retail Trade	299.2	299.8	296.8	-0.6	2.4
General Merchandise and Apparel	50.0	50.5	48.3	-0.5	1.7
Food Stores	51.5	51.7	50.5	-0.2	1.0
Automotive and Service Stations	34.2	34.3	33.4	-0.1	0.8
Eating and Drinking Places	104.4	103.8	105.2	0.6	-0.8
Finance, Insurance, and Real Estate	91.6	91.5	92.4	0.1	-0.8
Services and Miscellaneous	418.2	414.4	408.5	3.8	9.7
Hotels and Lodging Places	40.3	39.7	40.9	0.6	-0.6
Business Services	86.4	84.8	80.9	1.6	5.5
Health Services	108.0	107.5	105.1	0.5	2.9
Government	285.1	273.9	275.4	11.2	9.7
Federal	45.0	45.0	44.1	0.0	0.9

Notes and Source: See Table 3

Table 2
Maricopa County Labor Force, Employment, and Unemployment Data, February 1992[a]

(In Thousands)

				Monthly/Yearly Change	
	Feb. 1992[b]	Jan. 1992[c]	Feb. 1991	Jan. '92 - Feb. '92	Feb. '91 - Feb. '92
Total Civilian Labor Force[d]	1051.0	1057.8	1044.7	-6.8	6.3
Total Unemployment	77.7	82.7	41.8	-5.0	35.9
Unemployment Rate	7.4%	7.8%	4.0%	—	—
Unemployment Rate (Seasonally Adjusted)[e]	7.7%	8.2%	4.2%	—	—
Total Employment	973.3	975.1	1002.9	-1.8	-29.6
Total Wage and Salary Employment[f, g]	984.7	978.1	988.7	6.6	-4.0
Private Sector	700.1	696.3	709.5	3.8	-9.4
Government	146.2	141.9	144.0	4.3	2.2
Goods-Producing Industries:	177.8	1[illegible]	185.2	-0.6	-7.4
Manufacturing	127.4	127.8	134.8	-0.4	-7.4
Total Durable Goods	96.0	96.3	130.7	-0.3	-34.7
Stone, Clay, and Glass	2.9	2.9	3.2	0.0	-0.3
Primary and Fabricated Metals	9.4	9.4	9.8	0.0	-0.4
Machinery	44.2	44.3	47.8	-0.1	-3.6
Total Nondurable Goods	31.4	31.5	31.1	-0.1	0.3
Food and Kindred Products	7.3	7.4	7.0	-0.1	0.3
Printing and Publishing	11.0	10.9	11.1	0.1	-0.1
Mining and Quarrying	0.7	0.7	0.7	0.0	0.0
Construction	49.7	49.9	49.7	-0.2	0.0
Service-Producing Industries:	806.9	799.7	803.5	7.2	3.4
Transportation, Communications, and Public Utilities	55.7	55.6	58.4	0.1	-2.7
Transportation	33.3	33.3	35.3	0.0	-2.0
Communications and Public Utilities	22.4	22.3	23.1	0.1	-0.7
Trade	247.2	247.4	248.0	-0.2	-0.8
Total Wholesale Trade	56.8	56.6	57.4	0.2	-0.6
Total Retail Trade	190.4	190.8	190.6	-0.4	-0.2
General Merchandise and Apparel	32.3	32.5	30.9	-0.2	1.4
Food Stores	32.7	33.0	32.9	-0.3	-0.2
Automotive and Service Stations	21.1	21.1	20.7	0.0	0.4
Eating and Drinking Places	67.4	67.1	68.4	0.3	-1.0
Finance, Insurance, and Real Estate	73.2	73.0	73.9	0.2	-0.7
Services and Miscellaneous	284.6	281.8	279.2	2.8	5.4
Hotels and Lodging Places	24.8	24.5	25.6	0.3	-0.8
Business Services	70.0	68.6	65.6	1.4	4.4
Health Services	69.8	69.5	68.3	0.3	1.5
Government	146.2	141.9	144.0	4.3	2.2

Notes and Source: See Table 3

Table 3
Pima County Labor Force, Employment, and Unemployment Data, February 1992[a]

(In Thousands)

				Monthly/Yearly Change	
	Feb. 1992[b]	Jan. 1992[c]	Feb. 1991	Jan. '92 - Feb. '92	Feb. '91 - Feb. '92
Total Civilian Labor Force[d]	320.2	320.1	306.3	0.1	13.9
Total Unemployment	19.4	16.8	10.6	2.6	8.8
Unemployment Rate	6.1%	5.2%	3.5%	—	—
Unemployment Rate (Seasonally Adjusted)[e]	6.5%	5.5%	3.6%	—	—
Total Employment	300.8	303.3	295.7	-2.5	5.1
Total Wage and Salary Employment[f, g]	263.0	267.8	252.2	-4.8	10.8
Private Sector	202.3	204.3	197.5	-2.0	4.8
Government	60.7	63.5	54.7	-2.8	6.0
Goods-Producing Industries:	40.7	40.9	41.4	-0.2	-0.7
Manufacturing	24.2	24.4	25.5	-0.2	-1.3
Total Durable Goods	19.0	19.2	20.3	-0.2	-1.3
Total Nondurable Goods	5.2	5.2	5.2	0.0	0.0
Mining and Quarrying	2.4	2.4	2.3	0.0	0.1
Construction	14.1	14.1	13.6	0.0	0.5
Service-Producing Industries:	222.3	226.9	210.8	-4.6	11.5
Transportation, Communications, and Public Utilities	10.7	10.6	9.1	0.1	1.6
Transportation	6.2	6.1	4.7	0.1	1.5
Communications and Public Utilities	4.5	4.5	4.4	0.0	0.1
Trade	62.6	63.9	61.4	-1.3	1.2
Total Wholesale Trade	9.1	9.0	8.7	0.1	0.4
Total Retail Trade	53.5	54.9	52.7	-1.4	0.8
General Merchandise and Apparel	7.9	8.8	8.1	-0.9	-0.2
Food Stores	8.2	8.4	8.0	-0.2	0.2
Automotive and Service Stations	5.7	5.5	5.4	0.2	0.3
Eating and Drinking Places	18.8	19.3	18.8	-0.5	0.0
Finance, Insurance, and Real Estate	11.6	11.7	11.4	-0.1	0.2
Services and Miscellaneous	76.7	77.2	74.2	-0.5	2.5
Hotels and Lodging Places	6.8	6.8	6.8	0.0	0.0
Business Services	12.0	12.3	10.8	-0.3	1.2
Health Services	23.0	23.1	22.4	-0.1	0.6
Government	60.7	63.5	54.7	-2.8	6.0

Notes: a) Data on labor force, total unemployment, total employment, and seasonally adjusted unemployment rate should not be used for economic-assistance programs. Data for conomic-assistance programs are available by contacting DES, Research Administration
b) Preliminary and subject to revision following month
c) Revised
d) Adjusted to Current Population Survey (CPS) to reflect place of residence
e) Normal seasonal variations have been eliminated to reflect underlying trends
f) By place of work; does not include agricultural workers, self-employed, unpaid family members, and domestic workers
g) Detail may not add up correctly due to rounding
h) Rounded to the nearest one-quarter

Source: *Prepared by the Arizona Dept. of Economic Security, Research Administration, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics, March 1992*

Table 4
Non-metropolitan Counties' Labor Force, Employment, and Unemployment Data, February 1992[a,b]

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
Total Civilian Labor Force[d]	16,275	36,150	44,375	13,675	8,000	3,375	6,375
Total Unemployment	3,200	3,975	5,100	1,975	775	325	875
Unemployment Rate	19.6%	11.0%	11.5%	14.5%	9.6%	9.9%	13.9%
Unemployment Rate (Seasonally Adjusted)[e]	19.9%	10.2%	10.8%	13.2%	9.4%	9.9%	13.0%
Total Employment	13,075	32,175	39,275	11,700	7,225	3,050	5,500
Total Wage and Salary Employment[f,h]	15,350	26,625	41,000	11,800	5,275	3,425	3,650
Private Sector	9,400	14,975	27,625	8,750	3,075	2,875	
Government	5,950	11,650	13,375	3,050	2,200	550	1,075
Goods-Producing Industries	675	2,200	4,325	3,200	400	2,300	
Manufacturing	475	1,125	2,950	1,400	200	25	200
Mining and Quarrying	25	75	175	1,150	0	1,975	75
Construction	175	1,000	1,200	650	200	300	250
Service-Producing Industries	14,675	24,425	18,925	8,600	4,875	1,125	3,125
Transportation, Communications, and Public Utilities	1,650	1,475	2,750	475	150	50	175
Trade	1,675	5,500	10,100	2,550	1,500	325	1,200
Finance, Insurance, and Real Estate	350	625	675	250	125	25	125
Services and Miscellaneous	5,050	5,175	9,775	2,275	900	175	550
Government	5,950	11,650	13,375	3,050	2,200	550	1,075

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
Total Civilian Labor Force[d]	38,725	27,725	39,025	12,175	40,625	65,050
Total Unemployment	4,775	4,875	4,800	1,775	4,150	9,625
Unemployment Rate	12.3%	17.6%	12.3%	14.6%	10.2%	14.8%
Unemployment Rate (Seasonally Adjusted)[e]	11.4%	16.4%	12.3%	20.6%	9.2%	21.1%
Total Employment	33,950	22,850	34,225	10,400	36,475	55,425
Total Wage and Salary Employment[f,h]	27,200	20,700	31,725	11,475	27,875	31,700
Private Sector	22,325	14,350	21,600	9,575	22,275	23,225
Government	4,875	6,350	10,125	1,900	5,600	8,475
Goods-Producing Industries:	5,100	3,325	8,925	1250	5,250	3,225
Manufacturing	2,625	1,575	2,950	950	2,325	1,900
Mining and Quarrying	50	1,050	5,275	0	1,050	25
Construction	2,425	700	700	300	1,875	1,300
Service-Producing Industries:	22,100	17,375	22,800	10,225	22,625	28,475
Transportation, Communications, and Public Utilities	1,400	1,475	1,000	775	1,000	1,375
Trade	8,450	4,225	5,800	5,425	7,825	10,250
Finance, Insurance, and Real Estate	1,200	525	575	250	900	1,075
Services and Miscellaneous	6,175	4,800	5,300	1,875	7,300	7,300
Government	4,875	6,350	10,125	1,900	5,600	8,475

Notes and Source: See Table 3

Table 5

Estimated Hours and Earnings of Production Workers, by Selected Industry Groups, February 1992[a]

Arizona

Industry	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Feb. 1992[b]	Jan. 1992[c]	Feb. 1991	Feb. 1992[b]	Jan. 1992[c]	Feb. 1991	Feb. 1992[b]	Jan. 1992[c]	Feb. 1991
Manufacturing	$441.05	$440.64	$418.95	40.8	40.8	39.9	$10.81	$10.80	$10.50
Aircraft and Missiles	662.63	653.05	645.65	45.2	45.1	45.5	14.66	14.48	14.19
Food and Kindred Products	355.81	335.54	352.30	38.3	37.2	38.8	9.29	9.02	9.08
Primary Metals	473.11	466.48	491.34	39.1	39.7	38.0	12.10	11.75	12.93
Machinery	439.56	448.54	396.87	40.7	41.0	39.1	10.80	10.94	10.15
Copper Mining	669.37	642.85	640.20	44.3	43.0	44.0	15.11	14.95	14.55
Construction	436.76	445.38	431.88	35.8	36.9	36.6	12.20	12.07	11.80
Public Utilities	756.58	776.60	741.31	41.8	42.6	43.2	18.10	18.23	17.16
Retail Trade[d]	275.93	272.43	253.26	32.5	31.9	31.5	8.49	8.54	8.04
Wholesale Trade	409.34	391.23	390.91	38.4	37.8	38.1	10.66	10.35	10.26

Maricopa County

Industry	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Feb. 1992[b]	Jan. 1992[c]	Feb. 1991	Feb. 1992[b]	Jan. 1992[c]	Feb. 1991	Feb. 1992[b]	Jan. 1992[c]	Feb. 1991
Manufacturing	$458.56	$457.73	$442.26	41.2	41.2	40.5	$11.13	$11.11	$10.92
Construction	466.26	469.90	460.60	36.2	37.0	37.6	12.88	12.70	12.25
Retail Trade[d]	300.69	293.82	264.13	33.9	33.2	31.9	8.87	8.85	8.28
Wholesale Trade	423.93	409.06	424.13	39.0	38.7	37.7	10.87	10.57	11.25

Pima County

Industry	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Feb. 1992[b]	Jan. 1992[c]	Feb. 1991	Feb. 1992[b]	Jan. 1992[c]	Feb. 1991	Feb. 1992[b]	Jan. 1992[c]	Feb. 1991
Manufacturing	$417.30	$425.97	$384.68	39.0	40.3	38.7	$10.70	$10.57	$ 9.94
Construction	397.64	396.68	370.36	36.2	36.9	33.7	10.99	10.75	10.99
Public Utilities	649.65	655.02	619.24	41.3	41.3	41.2	15.73	15.86	15.03

Notes: a) Estimates are based on a sample of full- and part-time production and related workers whose payroll and hours are reported for the pay period that includes the 12th of the month
b) Preliminary and subject to revision following month
c) Revised
d) Excludes eating and drinking places

Source: *Prepared by the Arizona Dept. of Economic Security, Research Administration, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics, March 1992*

Industry Update

"Industry Update" — featured each month as a service to our readers — is a compilation of public announcements and articles from newspapers and periodicals about business events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of industry news is not feasible. In addition, Arizona Economic Trends is not responsible for incorrect information reported by these sources.

Manufacturing

Honeywell Commercial Flight Systems Group in Phoenix announced in March it will **reduce its workforce by 500** over the next several months due to a slump in the airline-manufacturing industry. The planned cutbacks follow a job reduction of 450 last November. The Commercial Flight Systems Group, which makes navigational systems for aircraft, employs about 6,500 in the Valley.

Allied-Signal Inc. of Morristown, N.J., plans to consolidate its computer and bill-paying operations from around the country, **bringing about 220 jobs to Tempe**. Most of the incoming positions will involve relocations. The employment gains, however, are in contrast with recent layoffs — numbering in the hundreds — by several Garrett aircraft manufacturing divisions in Phoenix and Tucson, which are subsidiaries of Allied-Signal.

Tucson-based **Burr-Brown Corp. laid off 160 workers** in March at its Tucson manufacturing operations due to slack work. The producer of electronic components, which now employs about 950 workers, also laid off 220 workers last November.

Grabert Systems, a developer and marketer of software for AutoCAD design systems, **shut down its Scottsdale operations** in March. A subsidiary of Berlin-based Grabert Systemhaus, an AutoCAD software developer, the company had employed 15 people.

Pending zoning approval, construction will begin in May in Scottsdale on a **$5 million, 55,000-square-foot corporate headquarters for Manufacturing & Consulting Services Inc.** The company designs computer systems for computer-aided design drafting and manufacturing.

Construction

Yavapai County supervisors have **approved plans for several major projects**, including a guest ranch on 25 acres near Kirkland, called Town of Muleshoe. The guest ranch will include 50 cottages clustered in theme neighborhoods and an Old West main street with a hotel, restaurant, saloon, and several stores. Also approved were expansion plans for the Villages of Lynx Creek near Dewey and Lynx Mountain View Estates east of Prescott. Plans for Villages of Lynx Creek call for spaces for 100 recreational vehicles, 147 manufactured homes and four commercial lots.

Site-preparation work was expected to begin in early April on **Arrowhead Towne Center** at 83rd Avenue and Bell Road in Glendale. Developer Westcor Partners says the mall will have 1.3 million square feet of space — slightly smaller than MetroCenter — and include five major department stores when its expected to open in October 1993. The mall should create 7,000 construction and retail jobs.

Trade

Seattle-based Nordstrom's opened a **Last Chance Bargains Shoes and Apparel store** at the Maryvale Mall in west Phoenix in late April. The 26,000-square-foot store offers large discounts on unsold merchandise from its 68 department stores across the country. No information is available about job opportunities.

Several major chains have plans or are in the process of **opening stores in Flagstaff**. Mesa-based Mega Foods, a discount grocery chain, is currently renovating a former Kmart store on Fourth Street and is expected to be finished sometime in May. Toys 'R' Us, meanwhile, expects to break ground on a new store near Flagstaff Mall by July and be open by November, while work on a building to house a PACE Membership Warehouse, a retail discount company, should get under way as soon as final zoning is approved on land near Butler Avenue and Enterprise Road.

Charlotte Russe, a women's specialty chain based in San Diego, is **contemplating expanding** the number of Valley stores from three to six and opening a location in Tucson. Also, the company is looking at locating a distribution center in Arizona.

Fast-food chain **Taco John's International Inc.** plans to open eight restaurants in the Valley over the next two years. The Mexican-restaurant group is based in Wyoming.

A **new Mitsubishi automobile dealership**, partly owned by former NBA star Sidney Moncrief, has opened in Glendale near Glendale and 43rd avenues

Finance, Insurance, and Real Estate

As expected, the **Federal Reserve in March approved the merger of BankAmerica Corp. and Security Pacific Corp.**, parent companies of BankAmerica Arizona and Security Pacific Bank Arizona, respectively. The combined company, BankAmerica, will lead to the elimination of 211 bank branches in five states (49 in Arizona) and a downsizing in workforce (12,000 nationally and an estimated several hundred in Arizona). Prior to Valley National Bank's merger announcement in early April (see next month's issue), this merger was expected to create the largest bank in Arizona.

Charles Schwab Corp., a discount-brokerage company, announced it will **open two offices in Phoenix employing about 170 people**. The San Francisco-based financial-services company plans to open a communications center (150 workers) by the end of 1992 and a data-processing center (20) by early next year.

The largest commercial real estate brokerage company in Canada, **Colliers Macaulay Nicolls Ltd.** of Vancouver, British Columbia, has **purchased majority interest in two Phoenix real estate companies**, Lyon Commercial Brokerage Co. and Camidor Property Management. Colliers Macaulay Nicolls, which has 14 offices in Canada and the United States employing 500 people, plans to invest $500,000 to $750,000 to upgrade the Phoenix operation and attract international investors.

The **Phoenix office of Pruco Life Insurance** Co., a subsidiary of Prudential Insurance Co. of America, will be **shut down by the end of 1992**, forcing the layoff or transfer of 161 employees. The Phoenix operations, which include selling life insurance and annuities, will be shifted to other Prudential offices around the country. The move will not affect 350 employees of Prudential Property and Casualty Co. in Scottsdale.

The **Arizona Stock Exchange**, the state's first, **began operations in late March** at 24th Street and Highland Avenue in Phoenix. Formerly Wunsch Auction Systems Inc. of New York, the exchange features trading on 3,300 public companies and is expected to help bring more equity capital to Arizona companies.

Services

Between **160 and 180 jobs** are expected to be created by the opening of a **new acute-care hospital planned in downtown Phoenix** by October. The long-term care facility, the second in downtown Phoenix for Louisville, Ky.-based **Vencor Inc.**, is expected to hire nurses and therapists, as well as clerical, maintenance, and housekeeping personnel.

Because of its growing population and number of cardiologists, **OmniMed Inc.** of Livonia, Mich., has chosen **Kingman as a site for a heart catheterization facility**. The facility, which allows doctors to diagnose if patients have blockages in heart arteries, will be one of only about 30 such operations in the country. No information is available on potential employment.

In the five years since it opened, **Mayo Clinic Scottsdale** has increased the number of its physicians from 47 to 105 and its **overall staff has grown to 900**. And when an expansion project at Mayo's facility is complete in June — increasing space from 170,000 to 300,000 square feet — an additional 15 doctors should be added, which should eventually lead to an additional 100 support staff.

Bad times have meant good times for **FM Services Corp.**, a **Phoenix collection agency** that has grown to more than 750 employees since it opened for business in 1988. And if FM is a good barometer of the economy, the bad times won't be over soon. FM began hiring more than 100 additional collection agents in March.

About **1,800 people interviewed** in early April for about 300 part-time and full-time positions needed to operate the new **America West Arena** in downtown Phoenix. Jobs ranged from security guards to ushers and are expected to pay between $5 and $6 an hour. The arena will host Phoenix Suns games and about 110 other events a year, beginning in June.

Transportation, Communications, and Public Utilities

America West Airlines recalled 120 customer-service agents in March, about 70 in Phoenix and 50 in Las Vegas. The Phoenix-based air carrier laid off about 250 workers last year in connection with filing for Chapter 11 Bankruptcy Court protection. America West reportedly has about 2,300 customer-service workers, who perform a variety of tasks from servicing flights to selling tickets.

Mining

Asarco Inc. is putting the finishing touches on its **new ore-concentrating mill at its Ray mining complex** in Kearney. The $100 million facility, expected to increase copper output by one-half to 1 million pounds a day, is part of a $324 million expansion project that includes a new crusher and conveyor-belt system, 22 giant trucks, two electric shovels, and other facilities. Most of the 300 additional workers needed for the entire project have already been hired.

Cyprus Minerals Co. is moving 40 of its corporate headquarters employees from Denver to Phoenix to be closer with its copper mining operations in Arizona. Cyprus Minerals employes about 3,000 workers at its mines in this state.

Government

A **reorganization of the Resolution Trust Corp. (RTC)**, the federal agency designated to dispose of assets from failed thrifts, could lead to the **elimination of several hundred jobs** in Phoenix in the next six months. But RTC employees aren't likely to lose their jobs until the end of 1993, said an RTC spokesperson, because of $8 billion in assets in the Phoenix area still not sold. However, 700 Federal Deposit Insurance Corp. (FDIC) employees (30 in Phoenix) on loan to the RTC are expected to be reassigned shortly to the FDIC.

Miscellaneous

In terms of **number of bankruptcies**, the **Arizona district still ranked high** among other regions of the country in 1991. But the state, which had about 20,000 bankruptcies in 1991, ranked 12th in total growth last year, compared to seventh in 1990. Nationally, there were about 945,000 bankruptcies filed, a 20.6 percent increase, while Arizona's total increased 8.7 percent, its lowest percentage gain since 3 percent in 1984.

A **survey by Manpower Inc.** indicates that **job prospects in the Valley during the second quarter of 1992 will be weak** with only 10 percent of Phoenix-area companies indicating plans to hire workers, while 20 percent say they will be laying off employees. Industries with the best opportunities for jobs include manufacturing and the combined group of transportation and public utilities, while areas showing the least promise are finance, insurance, and real estate (FIRE); education; and public administration.

BLS Program Searches for Mass Layoffs

(continued from page 6)

economic data on U.I. initial claimants, such as ethnic groups, older workers, and veterans.

- extending the time period — from three to five contiguous weeks — for initial claims on a company to qualify as a mass-layoff event, in order to capture layoffs that currently may be missed.
- offering more information on an establishment's employment level prior to layoffs or a plant closing, and specifying areas within companies laying off workers or shutting down.

But despite the planned changes, it should be pointed out that a cloud of uncertainty hangs over the MLS program. In all but one year of its eight-year history, funding for the MLS program has been left out of the President's budget, while Congress has voted to keep the program going. And the same scenario is expected to be played out for the 1992-93 federal budget year, which begins October 1.

Opponents of the MLS program claim that much of the information produced can be deduced from other BLS labor-market programs that track employment and industry detail, such as the Current Employment Statistics (CES) and Current Population Survey (CPS) programs. Also, MLS opponents say that because California has not been incorporated into the program — due to problems programming their U.I. system to collect mass-layoff data — the MLS program is missing about 10 percent of the covered workforce, thus diluting the meaning of the data on a national basis. And finally, it's argued that in tight budgetary times the MLS program and its annual cost of about $6 million ranks low on the priority list of BLS programs.

Siegel, however, counters the first argument by saying that the MLS program produces "a wide range of unique data that are not available in any other BLS programs." For instance, Siegel says there is a major distinction between the CES and MLS programs in that CES measures *net change* in industry employment, while MLS looks at *gross change*. By looking at gross change, employment fluctuations and industry trends are much easier to detect, Siegel says.

In addition, Siegel says that the MLS program has persevered despite its tenuous history. Siegel says the uncertainty of the MLS program's fate over the years has made implementation of the program — in terms of planning, MLS employee morale, and bringing all states on-line — a more difficult process than if the program had been supported all along.

So, what is the MLS program's likely fate? Siegel and an official in the Office of Management and Budget (OMB), which prepares the President's budget, believe the MLS program will likely end up being part of next year's budget. In addition, the OMB official believes there's a good chance funding of the program will be made permanent.

—Stan Gorodenski, Arizona MLS Program Manager

Also contributing to this story was Brent Fine, Arizona Economic Trends Editor

Notes:

1. Specific information on the WARN program will be given in the May issue of *Arizona Economic Trends*.
2. It is common operating practice for agricultural companies in the state to temporarily hire large numbers of migrant workers, who then move on to another crop — either in Arizona or another state — when the crop season ends. Even using the 50+ criteria, Arizona's MLS program picks up a good number of layoff events that are seasonal in nature. Had Arizona chosen the 20+ criteria, more of these types of layoffs would be picked up by the MLS program and greatly distort the meaning of the overall and industry breakdown of mass layoffs in Arizona.
3. Shared-work claimants have not been laid off, but have had their work hours reduced by at least 10 percent, but not more than 40 percent. Shared-work claimants receive a percentage of their unemployment insurance benefits based on the percentage that their normal weekly work hours have been reduced.
4. Monetarily eligible claimants are determined by one of two factors: either they have earned at least $1,000 in their highest earnings quarter and total earnings over four quarters have equaled or exceeded 1.5 times the high quarter earnings; or they have earned at least $7,000 in the total base period (first four of the last five quarters) and have earnings in at least two of the quarters.
5. This type of situation may occur when a company employs a large number of "new entrants" into the labor force (e.g., recent college graduates), who have a greater likelihood of not qualifying for U.I. benefits due to insufficient wages.
6. For example, if 100 initial claims were filed against an employer, but the employer states only 49 employees had been laid off (separated), then the layoff event is not considered a mass-layoff event for MLS program purposes. Similarly, the MLS program does not count a layoff event if an employer lays off 50 employees but recalls one on the 30th day. Conversely, there have been instances of employees being laid off for a short time period (such as six weeks) due to plant maintenance and repair, but because the recall date exceeded 30 days the event counted as a mass-layoff event.
7. Although the MLS program still keeps track of plant closings, it does not publish this data as part of its annual MLS report.
8. Like other BLS programs, aggregate data on particular industries cannot be divulged to the public if the industry is represented by fewer than three employers, or if one employer accounts for 80 percent or more of the separations.
9. For example, *Mass Layoffs in 1990*, Bulletin 2395, U.S. Department of Labor, Bureau of Labor Statistics, February 1992.
10. "Employer Layoff and Recall Practices," prepared for U.S. Department of Labor's Employment and Training Administration by U.S. Department of Labor's Bureau of Labor Statistics, January 1992, Executive Summary and Preface, pp. iii-vi.
11. The Standard Industrial Classification (SIC) system is the statistical classification standard underlying all establishment-based federal economic data. The structure of the SIC systems makes it possible to tabulate, analyze, and publish employment data on four levels, according to the amount of industry detail considered most appropriate. The four levels are: division (one digit), major group (two digit), industry group (three digit), and industry code (four digit).

RA Newsletter Changes Name, Upgrades Look

(continued from front page)

tables in the monthly "Arizona's Workforce" section to give a better understanding of where changes in the labor force are occurring. Those with a keen eye will also notice the publication is now being produced at a higher resolution (more dots per inch). This will aid readability — particularly with graphs — and can be done at essentially no extra cost, thanks to desktop publishing's increasing technology.

Among other minor changes include the redesign of the back page to allow for more editorial content, and a special page of graphs and tables featuring Arizona and national economic indicators, which will appear most months (but not in this issue). And finally, for those keeping score (such as libraries), the volume and issue numbers of this publication will follow along as if there were no changes.

Research Administration (RA) would like your comments on our changes, as well as ideas for improving the publication. Our address and telephone number are in the editorial box on the back page. In addition, RA would like to update our mailing list at this time, and if you want to make a change in your subscription (e.g., new address, ending subscription), please indicate so in the editorial box.

Jobless Rate Fell to 8.3% in February

(continued from page 7)

February 1991 (3,100 in metro Phoenix). Arizona aircraft and missile factory employment peaked at 28,000 in July 1990. Special federal funding of $1.5 million, however, was recently announced to retrain job losers at Hughes Aircraft Co. in Tucson. Hopefully, retraining funds will also be available for Phoenix-area aircraft plant employ-ees who are losing their jobs

In summary, Arizona's unemployment rate in February fell five-tenths of a percentage point from January's revised level of 8.8 percent. But the rate's drop was due to declines in the labor force and unemployment — not a rise in employment — as major industry groups experienced either weaker-than-normal employment gains or job losses, as was the case with manufacturing, construction, and retail trade. The outlook for construction and retail trade portends improvement soon, but manufacturing will probably continue to slide until defense-contracting manufacturers adjust to post-Cold War defense budgets.

—Ron Simon
RA Economic Analysis Manager

ARIZONA ECONOMIC TRENDS

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The purpose of *Arizona Economic Trends* is to provide an update and analysis of state and county employment and economic data, as well as information on state and national programs and policies that affect the nation's and Arizona's labor markets. Included in this publication twice yearly are Research Administration's two-year projections of employment, unemployment, and labor force for Arizona and its major sub-state regions.

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